

Idaho Millennium Fund Grant Application

I. EXECUTIVE SUMMARY

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Description: The Idaho State Police seek funding to assist with the cost of tobacco permittee compliance inspections. These inspections are required under Idaho statute Title 39 Health and Safety, Chapter 57 Prevention of Minors' Access to Tobacco Products. These inspections are fundamental part of preventing teenage initiation of tobacco use. Research shows that almost 90% of current smokers began smoking before age 18. In addition, over 50% of youth report they purchase their tobacco products from neighborhood outlets. The tobacco permittee compliance inspections encourage tobacco retailers to remain vigilant in asking teens for identification and refusing to sell tobacco products to minors. Millennium Funds will be used to cover the costs of tobacco inspections only.

Area of Impact: The area of impact is the State of Idaho. The tobacco permittee inspections directly impact retail outlets who sell tobacco products. Approximately 1100 retail tobacco sellers and their clerks will be impacted by the inspections funded under this application. More importantly, by increasing the diligence of retailers refusal to sell tobacco to minors, this project impacts over 200,000 youth aged 10 to 17 in Idaho.

Total Project Budget: \$342,800

Total Amount Requested: \$94,000

Eligibility Category: Tobacco Cessation or Prevention

II. PROPOSAL

A. Organizational Background

The Idaho State Police and the Department of Health and Welfare have partnered to establish the Idaho Tobacco Project. This unique partnership was formed to create an efficient and cost-effective tobacco permittee compliance inspection system. The Idaho State Police are the lead agency in the state responsible for enforcement of Idaho Code. The Department of Health and Welfare mission is to promote and protect the health and safety of all Idahoans. The goal of the Idaho Tobacco Project is to reduce the number of Idaho youth who begin smoking before age 18 by decreasing access to tobacco products. Since the scope of this project includes both enforcement and health promotion, the partnership mission is to effectively address the full scope of Idaho statute Title 39 Health and Safety, Chapter 57 Prevention of Minors' Access to Tobacco Act. The Idaho Tobacco Project includes retailer permitting, compliance inspections, retailer education, management of complaint and appeals hearings and maintenance on an online database.

Per the aforementioned statute, the Department of Health and Welfare manages the tobacco retailer permitting and management of complaints and appeal hearings. The Idaho Tobacco Project is defined and regulated by Idaho Code Chapter 57, Title 39, Prevention of Minors' Access to Tobacco. Responsibility for operating the program rests with the Department of Health and Welfare. The Department must conduct a certain number of compliance inspections of tobacco vendor permittees each year in order to retain Substance Abuse Prevention and Treatment Block Grant funds for a variety of substance abuse prevention and treatment programs. Idaho Code section 39-5710 (2) states that "Law enforcement agencies may conduct random, unannounced inspections at locations where tobacco products are sold or distributed to ensure compliance with this chapter. A copy of all citations issued under this chapter shall be submitted to the department." Prior to FY2002, the department (Health and Welfare) was required by Idaho Code to conduct two compliance checks per year at each location where tobacco products were sold or distributed at retail.

Since the Department of Health and Welfare did not have sufficient staff to conduct the required number of inspections, a Request for Proposal was let to contract with an Idaho firm who manages the inspection process in compliance with the Substance Abuse Prevention and Treatment Block Grant requirements. The Department of Health and Welfare conducted the compliance checks through this contract using limited federal funds. Because the inspection burden exceeded the funding available, the number of compliance checks fell far short of that required, causing concern to the Department of Health and Welfare and the Legislature about the potential loss of federal funding for substance abuse programs.

During this same period, the Joint Finance-Appropriations Committee appropriated 2 FTPs, \$120,400 in personnel costs and \$179,600 in operating expenses in general funds for FY2002 to ISP for the Preventing Minors' Access to Tobacco Program. The intent was that the 2 FTPs would be Idaho State Police officers devoted to conducting the compliance checks. It soon became evident that the hours required to cover the backlog of inspections required additional personnel funds. A supplemental appropriation was approved for FY2002, transferring \$32,000 from the operating expenses previously appropriated, to personnel costs, bringing the personnel costs to a total of \$152,400 and operating expenses to \$147,600. The \$32,000 was expended on payments to the youth used in the compliance checks (\$6.50/hr plus other costs required by law), additional costs not budgeted for the 2 FTPs appropriated in the FY2002 budget, and overtime for Idaho State Police officers. Even so, the statewide inspections could not be performed by only two officers. In FY2002, Idaho State Police used Patrol and Investigations salary savings from vacant positions and other

sources to pay overtime hours to a number of officers throughout the state to ensure the checks were conducted. After the ISP program had been implemented for approximately one year, a review of the total costs, both appropriated costs and officer overtime costs absorbed by ISP, showed it would be more cost effective to return to conducting the inspections by incorporating the Idaho State Police funds into the contract the Department of Health and Welfare held. The Idaho State Police furnish their logo for use on inspection team identification cards and provide back-up when needed.

The contractor has the capacity to create a randomized list of permittee inspections to be conducted, train inspection team members, collect inspection findings and provide technical support to teams whenever they are in the field. All inspectors are trained law enforcement officers who are responsible to ensure inspections are conducted in accordance with established procedures. They also supervise the other members of the inspection team which includes an adult chaperone, a female minor and a male minor. The chaperone stays in the vehicle to ensure the safety of the minor not involved in the inspection. A female and male minor are used randomly to evaluate if retailers are selling to minors based on gender. All inspection findings are recorded in the Idaho Tobacco Project database which is managed by the Department of Health and Welfare. The data system has the capacity to issue permits, maintain inspection histories and generate standard and ad hoc reports. In addition, in partnership with the Department of Health and Welfare, the contractor develops retailer point of sale materials, retailer education resources and issues a monthly newsletter that is mailed to all tobacco permittees.

Kevin Johnson, Idaho State Police and Terry Pappin, Idaho Department of Health and Welfare share oversight of this project. Lieutenant Colonel Johnson is responsible to review the use of the Idaho State Police logo and to provide officer back up if an inspection team is inappropriate delayed or threatened. Terry Pappin, M.Ed. supervises the Idaho Tobacco Project for the Department of Health and Welfare. This includes oversight of the tobacco permitting process and data base, review and approval of all retailer, clerk and point of sale resources and management of the compliance inspection contractor. In addition, Ms. Pappin is also responsible to ensure all Substance Abuse Prevention and Treatment Block Grant requirements are met. The compliance inspection contract is held by Benchmark Research and Safety, Inc. The creation of random inspection lists and management of federal requirements is handled by Curt Braun, Ph.D. Supervision of the inspection teams and technical support is provided by Jill Maldonado, M.S. Inspection teams have been described above and are located throughout Idaho.

The graph below identifies the sources use to support the Idaho Tobacco Project and the amount of funds from each source.

Funding Source	Amount of Funds	% of Budget
General Fund	\$225,800.00	64%
Millennium Fund	\$ 94,000.00	27%
Tobacco Fine Receipts	\$ 21,000.00	6%
Substance Abuse Prevention & Treatment Block Grant	\$ 2,000.00	3%
TOTAL BUDGET	\$342,800.00	100%

B. Purpose of Request: Goals and Outcomes

The Idaho State Police request funds for the Idaho Tobacco Project to address the prevention of underage tobacco use through the use of tobacco retailer compliance inspections. The goal of this request is to reduce minor's access to tobacco by reducing the retailer violation rate, the percentage of times retailers sold to a minor during an inspection, to less than 10%. The objective of this request is to provide the additional funds needed to conduct all the inspections required under Idaho statute Title 39 Health and Safety, Chapter 57 Prevention of Minors' Access to Tobacco Products, and to conduct a sufficient number of inspections to keep tobacco retailers vigilant in their efforts to deny minors access to tobacco. Because ongoing retailer compliance inspections are part of a comprehensive state plan to reduce tobacco use, this is a long term project and outcomes are measured incrementally.

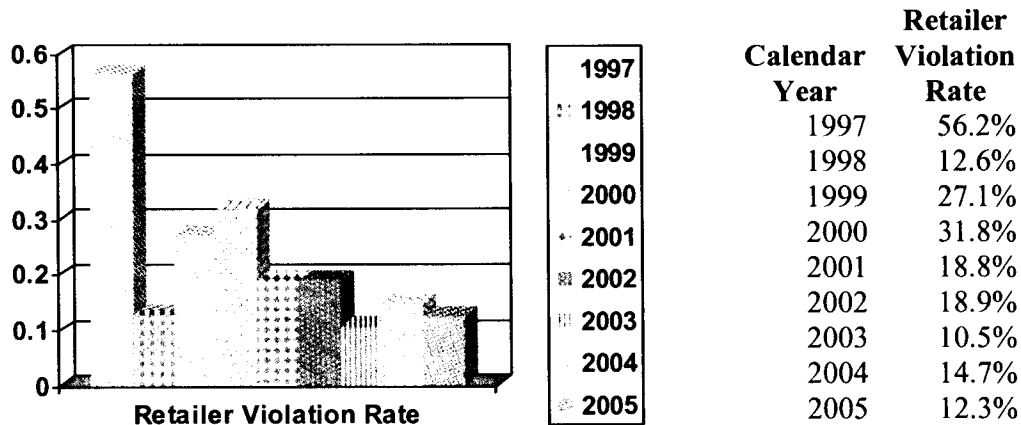
The long range goal for the tobacco prevention in Idaho is to meet the Healthy People 2010 goal to have the rate of adult tobacco smoking at 12% or less. The current rate of adult tobacco smoking in Idaho is 17.9%. The mid range goal for this project is to continue the reduction of minors' lifetime use of tobacco products. Research shows that more than 50 of current adult smokers, began smoking before the age of 18. In 2000, the rate of 9th to 12th graders smoking was 27.3%. The current rate of teen smoking in Idaho is 15.8%, just under the Healthy People 2010 goal of 16%. In order to support this downward trend, The Idaho Tobacco Project's task is to reduce the availability of tobacco to Idaho's youth. In 1997, in order to comply with the Substance Abuse Prevention and Treatment Block Grant requirements, Idaho conducted a survey to evaluate the likelihood that tobacco retailers would sell tobacco products to minors. At that time the retailer violation rate was 56.2%. In 2006, the retailer violation rate determined by that same survey is 13.2%.

The purpose of the Idaho Tobacco Project's inspections, as stated above, is to motivate tobacco retailers to remain alert to minor's attempts to purchase tobacco products. Based on experiences in Idaho, retailer violation rates increase when inspectors are not in the field. In 1998, the FDA determined that tobacco products fell under their jurisdiction and provided \$750,000 to Idaho Tobacco Project to conduct retailer inspections which resulted in an average of 2.3 inspections per retailer. The 1997 retailer violation rate was 56.2%. The 1998 rate was 12.6%. The 1999 rate, when funding was limited to an average of .3 inspections per retailer, was 32%. With additional funded provided by the Millennium and General Funds, the number of inspections increased over the next two years and the retailer violation rate continued to decrease.

C. Organizational Capacity

The goal of the Idaho Tobacco Project is to reduce minors' access tobacco. This project is a partnership the Idaho State Police have formed with the Department of Health and Welfare to create an efficient and cost-effective tobacco permittee inspection system. The Idaho State Police are the lead agency in the state responsible for enforcement of Idaho Code. The Department of Health and Welfare mission is to promote and protect the health and safety of all Idahoans. Since the scope of this project includes both enforcement and health promotion, the partnership effectively addresses the full scope of the Prevention of Minors' Access to Tobacco Act. This request relates to the Department of Health and Welfare's Goal #1, "Improve the health status of Idahoans," Objective #1 "Improve healthy behaviors of adults to 75.40% by 2011." One of the key indicators used to determine the level of healthy adult behavior is tobacco use. This request also relates to the Idaho State Police's mission which is "Working together to enhance the quality of life by making Idaho safer through upholding the constitutions, enforcing the laws, preventing harm, and serving our customers."

This request for funding to conduct tobacco inspections directly relates to the Idaho Tobacco Project's goal and is a critical resource in meeting that goal. In the nine years the Idaho Tobacco Project has been in place, the state has seen a reduction in retailer violation rates from 56.2% of 12.3%. The chart and graph below depict the violation rates from 1997 through 2005. Inspections conducted in 2006 will not conclude until mid-December, so a final rate is not available for this year.



In general the retailer violation rate trend has been downward since 2001. The Prevention of Minors' Access to Tobacco Act set a formula to determine the number of compliance inspections to be done during a calendar year. This formula rewards retailers with fewer inspections when violation rates are low. All tobacco retailers are to be inspected at least 1 time per year. The number of additional inspections is directly tied to the violation rate. For instance in 2002, the violation rate was just under 19% so the number of inspections conducted in 2003 was 3619 which resulted in 2 inspections per retailer. In 2003, the retailer violation rate was slightly over 10%. The following year because of the low violation rate, the number of inspections dropped to 1.35 inspections per retailer. The following year, 2004, saw a 4.2% increase in violations. To compensate for the reduced number of inspections, the Idaho Tobacco Project began issuing a retailer newsletter to remind them of the statute as well as provide training resources. Since that time, the retailer violation rate has stayed in the range of 13% \pm 1%.

In addition to the partnership between the Department of Health and Welfare and the Idaho State Police, the Idaho Tobacco Project joins with the Department's Tobacco Prevention and Control Program in providing funds to the Regional Alcohol Drug Awareness Center, Idaho's clearinghouse to make alcohol, tobacco and other drugs educational materials available to professionals, educators and the general public. Tobacco Project focuses on retailers and the Tobacco Prevention and Control Program focuses on individuals and communities to ensure the needs of all Idahoans are addressed. Tobacco Project also works with the Attorney General's Consumer Protection Unit and the Idaho Tax Commission's Tax Discovery Bureau. The association focuses on two major issues, web-based tobacco sales and the Attorneys General Master Tobacco Settlement Agreement. For the web sales, the Attorney General's Office has provided technical assistance to the Idaho Tobacco Project, and has initiated legal action against Scott Maybe, one of the largest internet tobacco sellers. The Idaho Tobacco Project has provided the Attorney General's Office with inspection histories of retailers they are investigating and provided information needed to respond to tobacco company charges. There is no other state agency currently doing the activities conducted under the Idaho Tobacco Project.

The staff of the Idaho Tobacco Project are located in the Department of Health and Welfare. An administrative assistance responds to permit information requests, assists retailers in completing the online permit application and manages the tobacco permit records. A program specialist supervises the administrative assistant, responds to retailers requests for technical information, represents the Department in appeals hearings and oversees the development of all printed materials. The actual inspections will be conducted by a contractor who has the capacity to generate a randomized list of permittee inspections to be conducted, train inspection team members, collect inspection findings and provide technical support to teams whenever they are in the field. The Idaho State Police provide back-up when needed. All inspectors must have a clear driving record and are trained law enforcement officers. Each inspector receives training on the procedures and protocols, shadow a trained inspector conducting compliance inspections and the completion of inspection documentation. They are responsible to ensure inspections are conducted in accordance with established procedures. They also supervise the inspection team. All inspection findings are recorded in the Idaho Tobacco Project database which is managed by the Department of Health and Welfare. The data system has the capacity to issue permits, maintain inspection histories and generate standard and ad hoc reports.

The target population was involved in the development of the Idaho Prevention of Minor' Access to Tobacco Act, as well as the rules. Due to input from small retailers, a website was developed to provide no-cost training resources. It includes key points of the law, a quiz on the law, a game to encourage clerks to ask young-looking persons for their identification and samples of legal and illegal identification from Idaho and surrounding states. The address for this web site is www.preventthesale.com. Because there have been no changes to the program in the past three years, input has been limited to new materials evaluation. The input sought from the target population focuses on new materials and includes the type of materials needed, format and content of the proposed materials and recommended distribution method. The Idaho Tobacco Project has also requested retailer input on a program to recognize permittees who have never received a violation citation.

D. Process

This application seeks funding for tobacco retailer compliance inspections. The process for these inspections is founded on the requirements established in the Prevention of Minor's Access to Tobacco statute. Prior to the start of each fiscal year, the Idaho State Police and the Department of Health and Welfare meet to draw up a memorandum of understanding which delineates the responsibility each agency's responsibilities in the Idaho Tobacco Project and transfers money from the Idaho State Police into the Idaho Tobacco Project budget. This enables the continuation of compliance inspections as established in the aforementioned code.

The Idaho Tobacco Project is a partnership between the Idaho State Police and the Department of Health and Welfare. Other resources used to support the goals of this project are varied in involvement and resources. The Idaho RADAR Center provides tobacco education materials for youth and their parents. These materials are most often distributed through schools, Health Districts and community health fairs. Local law enforcement agencies supply staff to the inspection teams by allowing their off-duty officers to participate in the teams. Youth anti-tobacco groups are often the source of the youth who participate on the inspection teams. The tobacco wholesalers association has volunteered to distribute tobacco point of sale and clerk education materials, developed by the Idaho Tobacco Project, to tobacco retailers. In addition, Tobacco-Free works with state and local groups to continue community education about the risks of tobacco use and second-hand smoke.

Through the partnership of a variety of organizations, the rate of adult smoking in Idaho has dropped from 22.3% in 2000 to 17.9% in 2005.

The inspection of tobacco retailers is an ongoing process. As established in code, this project is managed on a calendar year. The process begins with the annual permitting of tobacco retailers. This permitting process establishes the list which is used to conduct inspections. Per Idaho statute, the Department of Health and Welfare must conduct at least one inspection of all locations where tobacco products are sold. The additional number of inspections is based on the tobacco retailer violation rate of the previous year. Once the number of inspections to be conducted is established, an automated process is used to determine a random pattern for the order and month in which unannounced inspections will occur. Using this randomized list, the inspection team manager provides a monthly list for inspection teams to conduct. The table below depicts the anticipated number of inspections to be conducted during 2007. The funds requested in the application will fund inspections for the first 6 ½ months of the SFY08 fiscal year, as depicted in the timeline below.

Anticipated Number of Inspections per Month

January	February	March	April	May	June	July	August	September	October	November	December
100	150	150	150	200	325	375	375	250	175	150	100

The tobacco permittee inspection, conducted by inspection teams, are led by trained law enforcement officers using standard procedures. These inspections continue throughout the week. Inspection teams schedules vary based on availability, road conditions and inspections scheduled to be performed in their area. The team is composed of the inspector, a chaperone and a male and female minor. The first member of the team to enter the permittee's premises is the inspection officer. The officer reviews the environment to determine that it is safe for the minor to conduct the inspection. If it is safe, the minor enters, walks to where the tobacco products are located and request a package of cigarettes. If the clerk asks for identification, the minor provides their state-issued identification. (either a driver's license or identification card) If the clerk asks the minor how old they are, or if they are over 18, the minor answers truthfully. If the clerk refuses to sell the tobacco product to the minor, that minor leaves the store. After seeing the minor safely to the team's vehicle, the inspector re-enters the store and hands the clerk a card indicating they have successfully passed a tobacco inspection. If the clerk sells tobacco to the minor, the minor pays for the product, and leaves the store. The inspector follows the minor to the vehicle, completes the inspection form and citation and returns to the store to cite the clerk. Whenever possible, the inspectors take a position that enables them to not only watch the minor, but also to overhear any conversation that takes place between the two. This enables the inspector to ensure that all inspection protocols are followed. While in the store, the inspector also looks for other violations of the statute, such as tobacco products on the counter where any one can access them, vending machines and illegal packaging such as sale of single cigarettes. The purpose of the chaperone is to ensure that no minor is left alone during the conduct of inspections. All inspection records are entered into the data system and then submitted to the Department of Health and Welfare to be put in the permittee's permanent record. Per state code, a notification is mailed to the permit holder within 2 business days of the inspection.

When a clerk or a permittee appeals the inspection findings, the Idaho Tobacco Project staff, located within the Department of Health and Welfare handle the process. The administrative assistant, collects the evidence and identifies dates that the inspecting officer and the tobacco project supervisor are available to participate in a hearing. Since these citations are civil, the Department uses its appeal process. This material is forwarded to the Department's contracted hearing officers who schedules the hearing and sends exhibits to all participants. The Department's representative for

the appeal is the tobacco project supervisor. In order to reduce travel costs and make appeals accessible to all participants, the appeals are heard via conference call. After hearing testimony from the Department and the appellant, the hearing officer issues a decision. The appellant or the Idaho Tobacco Project staff can choose to accept the decision or submit a request to review the appeal to the Director of Health and Welfare. If a citation is upheld and no request for review is made by the appellant, the Idaho Tobacco Project will notify the appellant of the fine that is due and payment options.

If a retailer submits a request to waive their fine as allowed in §39-5708, Civil Penalties for Violation of Permit, the administrative assistant collects the inspection findings and retailers inspection history, and then hands them to the tobacco project supervisor for review. Based on standards established in the statute and relevant rule, a decision is made. A letter is sent to the permittee with the decision. If the waiver is approved, a note is made in the file and the data system. If the waiver is not approved or conditions are established in the decision, such as a suspension of the license, the permittee can appeal the decision. Then the process outlined above is used. In the case where permits are suspended, either tobacco project staff or inspectors check the retailer's establishment to determine if they have complied with the decision. To date, all tobacco retailer have complied with the suspension.

There are two target populations for this project. The primary target population is retailers. The secondary population, which will be impacted by change in the primary target population, are Idaho minors. The purpose of the inspections is to cause tobacco retailers and their employees to remain alert to minor's attempts to purchase tobacco products. We know, from experience in the Tobacco Project, that the higher the number of inspections conducted, the lower the violation rate becomes. This effect leads to the conclusion that the seller's decision not to sell tobacco to a minor is impacted by the likelihood of negative consequences because of the sale. More reinforcement and education is needed for sellers to make the choice, not to sell tobacco to a minor, a decision based on a personal or employer values rather than on fear of negative consequences. It is important to note, that regardless of the incentive, the rate of tobacco retailer violations that Idaho has reported in the Substance Abuse Prevention and Treatment Block Grant has dropped from a high of 56.2% in 1997 to 13.2% in 2006. The secondary population for this project is Idaho's youth under the age of 18. By eliminating the opportunity for youth to steal tobacco products from self-service displays, purchase tobacco from vending machines or buy them over the counter, Idaho creates a barrier to protect youth from initiating tobacco use. Since the start of the Idaho Tobacco Project the percentage of high school seniors, who report smoking regularly, has reduced from 19.1% in 1996 to 8% in 2004. This project, along with the increase of effective tobacco education and prevention efforts have resulted in important health gains for the children of Idaho.

The representatives from the primary target population, tobacco retailers, were heavily involved in the development of the Idaho Prevention of Minor's Access to Tobacco Act, as well as the administrative rules issued to implement the statute. Due to input from small retailers, a website was developed to provide no-cost training resources. The address for this web site is www.preventthesale.com. It includes key points of the law, a quiz on the law, a game to encourage clerks to ask young-looking persons for their identification and samples of legal and illegal identification from Idaho and surrounding states. Because there have been no changes to the program in the past three years, input has been limited to new materials evaluation. Input from the target population is on new materials includes the type of materials needed, format and content of the proposed materials and recommended distribution method. The Idaho Tobacco Project has also

requested retailer input on a program to recognize permittees who have never received a violation citation.

E. Evaluation

The goal of this request is to reduce minor's access to tobacco by reducing the retailer violation rate, the percentage of times retailers sold to a minor during an inspection, to less than 10%. In 2005 the rate of current illicit drug use was approximately 8 times higher among youth aged 12 to 17 who smoked cigarettes in the past month than it was among their peers who were nonsmokers. Given this statistic, it is imperative to continue to improve efforts to reduce minor's access to tobacco products. The question we continue to ask is "How can Idaho reduce retailer violation rates?" To that end we are using compliance inspections, identified as a best practice by the Centers for Disease Control, an educational website, point of sale materials and retailer education retailers.

A tobacco retailer compliance inspection is a tool to identify tobacco retail establishments that sell tobacco to underage youth. A person under age 18 attempts to purchase a tobacco product while a law enforcement officer observes or waits outside the premises. The underage person is instructed to refrain from attempting to look older or lying about their age or using a false ID. If the young person is successful in purchasing tobacco, the inspection officer issues a citation to the clerk and to the tobacco permit holder. The U.S. Centers for Disease Control and Prevention (CDC) recommends compliance inspections as a best practice for reducing youth access to tobacco. CDC has concluded that inspections are an important tool to enforce laws prohibiting the sale of tobacco to underage persons, and recommends that regular checks be incorporated into a comprehensive state tobacco plan. The Idaho Tobacco Project requires that minors participating in inspections be younger than 17 ½, wear no tobacco or alcohol related clothing and if they are male be clean shaven or if they are female wear no make up or adult-looking hair style.

The Idaho Tobacco Project seeks to continue to reduce the retailer tobacco sales to minor violation rate. The inspections identify patterns of noncompliance in communities, within multi-outlet companies such as Albertsons, and among permit endorsement and vendor types. With this information, the Idaho Tobacco project can provide additional educational materials and technical assistance to permittees with high violation patterns. Through this process, we can identify effective employee resources and training materials as well as point of sale notifications to the public. This enables us to provide effective resources to tobacco permittees.

The outcome to determine how well Idaho is doing in meeting the Tobacco Project goal will be the violation rate for the calendar year. As long as the violation rate stays under 15%, we continue to meet our goal. The findings will be disseminated at the annual Synar Conference, a conference focused on the requirements of the Substance Abuse Prevention and Treatment Block Grant requirements, through the National Prevention Network, an organization of state substance abuse prevention managers who oversee tobacco compliance activities in their states, through reports to the legislature, the Idaho retailers and wholesalers organizations and to interested public groups such as Tobacco-Free Idaho.

F. SUSTAINABILITY

The partnership between the Idaho State Police and the Department of Health and Welfare remains strong. In addition, the current contractor has provided these services for the past five years and is in the second year of their current contract. They too are committed to continuing to reduce minor's access to tobacco. This is a program of critical importance to the Department of Health and Welfare, because a condition of receiving the Substance Abuse Prevention and Treatment Block Grant is maintaining a tobacco retailer violation rate of less than 20%. Under federal code, failure to

meet this requirement results in a 40% reduction of the total block grant. Since this grant supplies 100% of the Department's substance abuse prevention services. Excluding the Access to Recovery Grant, the block grant makes up over 45% of the budget for the Department's treatment system. The Department of Health and Welfare takes this requirement very seriously and will work diligently to comply and ensure that Idaho does not lose these needed funds.

Since there is no fee for permits, and the rate of violations remains low, the Idaho Tobacco Project receipts are insufficient to sustain the program. A mix of Millennium Fund, general fund and federal Substance Abuse Prevention and Treatment Block Grant funds are used to support this project. At this time, there are no additional resource needs projected for the next 3 years. The current mix of funding is sufficient to cover the Idaho Tobacco Project inspection, permitting and administration costs. The unknown is the retailer violation rate. Should the rate increase significantly, then additional funds would be needed for the increased number of inspections. Idaho Tobacco Project staff continue to search for alternative funding sources.

III. BUDGET

The total cost of the Idaho Tobacco Project for SFY 2008 is \$342,800. The breakdown of funding sources and total Idaho Tobacco Project is depicted below.

Funding Source	Amount of Funds	% of Budget
General Fund	\$225,800.00	64%
Millennium Fund	\$ 94,000.00	27%
Tobacco Fine Receipts	\$ 21,000.00	6%
Substance Abuse Prevention & Treatment Block Grant	\$ 2,000.00	
Total Budget	\$342,800.00	97%

The total SFY 08 projected budget for Idaho Tobacco Project is summarized below. Payments are based on units provided. All activities, except inspections, are paid monthly. The cost for one month of administrative activities, such as mailing records to the Department, answering permittee enquiries and assisting with the permitting process, are \$350. The inspections are paid on a per inspection rate at the cost of \$85 per inspection. A breakout of the specific costs charged in the inspection fee can be found below. No reimbursement is made for capitol outlay, equipment or indirect. The percentage of total budget is listed in parenthesis after each line item.

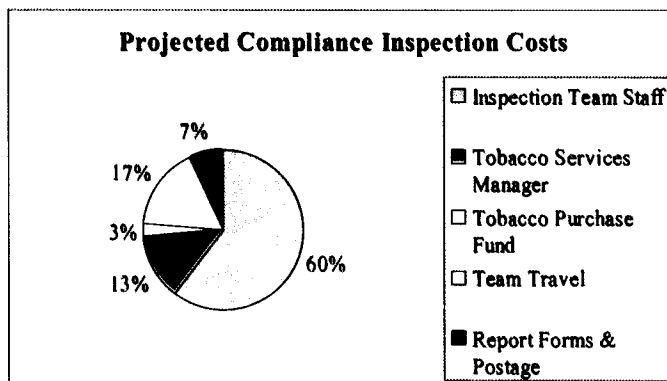
Contractor Costs (95.14%)	SFY08 Anticipated	Funding Source
Administrative Activities (1.23%)	\$ 4,200	General Fund
Data System (7%)	\$ 24,012	General Fund
Inspections (61.99%)	\$ 212,500	General/Millennium Fund
Retailer Education/Resources (9.94%)	\$ 34,074	General Fund
SAPT Block Grant Compliance Research (14.98%)	\$ 51,347	General/Fine Receipts /SAPT Block Grant

The Idaho Tobacco Project costs will be covered out of the receipts received in payment of fines. For SFY the personnel costs are reduced because 95% of the administrative assistant's salary is currently being covered by a research grant. The salary and benefits for the administrative assistant for this fiscal year will be \$2,702. Ten percent for the time and benefits of the program specialist

serving the Tobacco Project Supervisor is allocated to this budget for a total amount of \$7468. The benefits rate was calculated at .3933%. Other costs for this budget are as incurred. No indirect is charged in this budget. The percentage of total budget is listed in parenthesis after each line item.

ITP Administrative Costs (4.86%)		
Personnel (2.97)	\$ 10,170	Fine Receipts
Record Storage(0.53%)	\$ 1,800	Fine Receipts
Supplies(1.37%)	\$ 4,697	Fine Receipts
Total Estimated Budget	\$ 342,800	

The Millennium Funds will be used solely to cover the cost of permittee compliance inspections. The inspections are required by Title 39, Chapter 57 of Idaho code. They are the primary activity for the Idaho Tobacco Project, all other activities except tobacco retailer permitting, are a result of the inspections. The inspections are conducted by a contractor and are paid a per inspection rate. The inspection rate includes inspection team salaries, cost to purchase tobacco products, GIS tracking system, on call technical assistance, report and citation forms and travel. Since extensive travel is required to conduct the inspections in isolated areas, the rate is adjusted annually based on fuel costs. Below are a graph and a chart detailing the costs included in a compliance inspection. No indirect charges are paid for this activity.



Item	Cost
Inspection Team Staff	\$ 51.85
Tobacco Services Manager	\$ 10.60
Tobacco Purchase Fund	\$ 2.55
Team Travel	\$ 14.45
Report Forms & Postage	\$ 5.55
	\$ 85.00